



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, DC

Docket: OST-2002-12503 – /

Served: June 14, 2002

NOTICE

**In the Matter of U.S.-Ecuador All-Cargo Frequencies**

**SUMMARY**

By this notice we request that all U.S. carriers interested in new or additional frequencies for all-cargo scheduled services to Ecuador file applications, as specified below, with the Department no later than June 28, 2002.

**BACKGROUND**

While there are no limitations on the number of U.S. all-cargo carriers that may provide scheduled all-cargo services to Ecuador, there are limitations on the number of weekly frequencies that may be provided. U.S. all-cargo carriers have been limited to 15 weekly frequencies. Furthermore, those frequencies have been subject to an aircraft substitution formula (*i.e.*, whereby use of wide-body aircraft requires more frequencies than use of narrow-body aircraft). Current frequency allocations for U.S. carriers are as follows (in narrow-body equivalences): UPS, 7; Arrow Air, 5; and Gemini Air Cargo, 3.

On May 30, 2002, following discussions in Quito, delegations of the United States and the Republic of Ecuador signed "Minutes of the Meeting" that stated that the delegations had reached agreement *ad referendum* on the text of a diplomatic note to extend application of the Air Transport Agreement of 1986 with certain modifications. As set forth in the initialed draft diplomatic note attached to the Minutes, U.S. all-cargo carriers would be permitted to operate 30 round-trip all-cargo scheduled frequencies in the U.S.-Ecuador market over routes specified in Section 2 of Annex I of the agreement, and the aircraft substitution formula would not apply.<sup>1 2</sup> The Minutes state that pending execution of the diplomatic note, the aeronautical authorities of both countries intend to permit operation consistent with the terms of the draft diplomatic note on the basis of comity and reciprocity. Thus, there are now 15 additional frequencies available for U.S. carrier scheduled all-cargo services, and each of these frequencies (as well as existing frequencies) can be used for wide-bodied or narrow-bodied services.

It is our desire to enable interested carriers to use these opportunities as soon as possible. Before we decide to award the available opportunities, to ensure that we have applications from all interested carriers, we request that all other U.S. carriers interested in making use of the available frequencies file applications as specified below with the Department no later than June 28, 2002. Answers to applications should be filed no later than July 8, 2002. Replies to answers should be filed no later than July 15, 2002.

<sup>1</sup> The agreement provides that U.S. all-cargo carriers may operate services from the United States via the intermediate points of Mexico City, Mexico; Guatemala City, Guatemala; San Salvador, El Salvador; San Pedro Sula and Tegucigalpa, Honduras; Panama City, Panama; Cali, Bogota, and Medellin, Colombia; to the coterminal points of Quito, Guayaquil, Manta and Latacunga, Ecuador; and beyond Ecuador to Lima, Peru; Santiago, Chile; Buenos Aires, Argentina; La Paz and Santa Cruz, Bolivia; Asuncion, Paraguay; and Rio de Janeiro and Sao Paulo, Brazil.

<sup>2</sup> The initialed draft diplomatic note also provides for modifications as regards services to be provided by combination carriers. We will address combination carrier matters in a separate notice.

## APPLICATIONS/EVIDENTIARY REQUIREMENTS

Carriers interested in using any of these 15 new frequencies are invited to file applications for the necessary authorizations. Carriers without the requisite underlying authority should file applications for exemption authority and for allocation of frequencies. Carriers with the necessary underlying authority need only file an application for allocation of frequencies.

Except for procedural dates, exemption/frequency applications should conform to Part 302, Subpart C of our regulations (14 CFR Part 302). All applications should be filed in the captioned docket, **OST-2002-12503**, and should specify, at a minimum, the market(s) to be served, the number of frequencies requested, the proposed startup date, the complete routings from origin to destination of all flights, days scheduled, equipment types/capacity and a statement as to whether the aircraft to be used in the proposed schedule are on hand or on order, and variation of frequencies/routings by traffic season, if applicable.<sup>3</sup> Applicants are also free to submit any additional information that they believe will help us in making our decision.

All applications should be filed with the Department of Transportation, Dockets, Room PL-401, 400 Seventh Street, SW, Washington, DC 20590, in Docket **OST-2002-12503**.<sup>4</sup>

We intend to allocate the available opportunities based on the applications and responsive pleadings filed in response to this notice. We intend to make our decision using written, show-cause procedures in accordance with Part 302 of our regulations (14 CFR Part 302).

We will authorize service of documents by facsimile and by electronic mail. Carriers that are interested in such service, however, should state if they want service by fax or email and should provide interested parties with their fax number and/or email address.

We will serve this notice on all U.S. certificated carriers operating large all-cargo aircraft, the National Air Carrier Association, the Air Transport Association, the U.S. Department of State (Office of Aviation

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<sup>3</sup> If aircraft are on hand, applicants should indicate where and to what extent those aircraft are currently being used by the applicant. If aircraft are on order, the applicant should indicate when the aircraft will be delivered and how the aircraft will be financed. The applicant should further indicate whether the aircraft to be used comply with FAR-36; if not, they should indicate specific plans for achieving compliance.

<sup>4</sup>The original submission is to be unbound and without tabs on 8 1/2" x 11" white paper using dark ink (not green) to facilitate use of the Department's docket imaging system. In the alternative, filers are encouraged to use the electronic submission capability available through the Dockets/DMS Internet site (<http://dms.dot.gov>) by following the instructions at the web site.

Negotiations), the Federal Aviation Administration (AFS-200), and the Ambassador of Ecuador in Washington, D.C.

By:

Paul L. Gretch  
Director, Office of International Aviation

(SEAL)

Dated: June 14, 2002

*An electronic version of this order is available on the World Wide Web at  
[http://dms.dot.gov/reports/reports\\_aviation.asp](http://dms.dot.gov/reports/reports_aviation.asp)*

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